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SUBJECT: BASRAH SITUATION REPORT, APRIL 21, 2008

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CLASSIFIED BY: Howell Howard, Director REO Basrah, REO basrah,
Department of State.
REASON: 1.4 (b), (d)

11. (S//REL MCFI) SUMMARY: Charge of the Knights (COK) III commenced on the morning of April 19, meeting very little resistance. Planning is already underway for the next operations to be conducted in Latif, Qarmat, and the Five Mile areas. The Tribal and Political Committees set up by PM Maliki to oversee his tribal initiative in Basrah have been dissolved. In their place, thirteen local "Tribal Support Committees" have been established for Basrah's most populated districts. The Central Bank of Iraq Basrah Branch Managing Director Zuhair Ali Akbair would/could not confirm if any of the \$100 million in central government funds has arrived. He was notably evasive about the logistics, security, and magnitudes of Iraqi Dinar shipments from CBI Baghdad to the Basrah branch. Despite PM Maliki's stern warning that there would be no exceptions, his own party seems to be maneuvering to get around PM Maliki's order to evacuate out of all GOI owned offices. The security situation and working environment have improved markedly with the Iraqi Army (IA) having displaced the JAM-saturated Facilities Protection Service (FPS). END SUMMARY.

CHARGE OF THE KNIGHTS III

12. (C//REL MCFI) Iraqi Security Forces (ISF) commenced Operation Charge of the Knights III on April 19 to clear the Jaysh al-Mahdi (JAM) stronghold of Hyyaniyah district. The ISF isolated the district several days before their foray into Hyyaniyah to pressure residents to yield their arms and to give the ISF adequate time to plan with Multi-National Division-Southeast (MND-SE). On the morning of April 19, approximately 150 flares and noise rounds were fired by MND-SE artillery into the empty fields next to Hyyanniyah to disorient residents. The ISF then swept through the neighborhood meeting surprisingly very little resistance.

13. (S//REL MCFI) Initially, it appeared that the ISF only swept through Hyyaniyah without conducting house-to-house searches, reportedly due to a deal with the few remaining militia leaders. However, we understand that some raids have taken place since then focusing on possible weapons caches. Local citizens continue to assist the ISF in identifying IED locations and in some cases disconnecting the wires. Over the past two days, an estimated 50 caches have been discovered, including an estimated 150 IEDs, 200 rockets and 300 mortars. An additional 50 detainees and several weapons caches have been netted in

Jazaizah. However, an IDF attack against the ISF and the tribal battalion in Tannumah, as well as a suspected IED attack killing a U.S. Marine and critically wounding another show that the militias are still capable of conducting anti-ISF/CF attacks. Planning is already underway for the next operations to be conducted in Latif, Qarmat, and the Five Mile areas.

¶4. (S//REL MCFI) Comment: Reporting indicates that senior JAM leaders in Basrah have fled. We believe that JAM members will quietly re-infiltrate Basrah once the ISF lower their operational tempo and assume a more normalized posture. At that stage, JAM would most likely utilize more asymmetric tactics being denied the ability to openly carry their arms on the streets. There are, however, encouraging signs that the population, tired of the militia's malign influences, are increasingly siding with the GOI, undercutting the Sadrists' support base, and tipping the balance in favor of a more stable Basrah. To prevent JAM regaining ground and ensuring Basrah's stability, it will be vital to maintain a strong ISF presence in Basrah and keep the local populace on the GOI's side. End Comment.

TRIBAL PROGRAM

¶5. (C//REL MCFI) According to several contacts, both the Tribal and Political Committees set up by PM Maliki to oversee his tribal initiative in Basrah have been dissolved (see Ref A). In their place, thirteen local "Tribal Support Committees" have been established for Basrah's most populated districts. Comment: The haphazard planning to establish a tribal initiative resulted in confusion over who was in charge - the Tribal and Political Committees representing local influences or the Tribal Advisor Implementation Follow-Up National Committee for Reconciliation (IFCNR) representing Baghdad. The dissolution of the local committees seems to resolve that issue and hopefully, will provide more clarity and direction to what has, so far, been a convoluted process. Questions remain, however, whether the GOI will continue to fully support this initiative or will let it die a slow death once the tribes'

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assistance is no longer needed. End Comment.

THE \$100 MILLION FOR BASRAH

¶6. (C//REL MCFI) REO officers met Central Bank of Iraq (CBI) Basrah Branch Managing Director Zuhair Ali Akbair on April 19. Akbair was notably evasive about the logistics, security, and magnitudes of Iraqi Dinar shipments from CBI Baghdad to the Basrah branch; seemingly concerned about locational security of cash, he would not confirm if any of the \$100 million in central government funds that the PM has earmarked for Basrah has arrived. Akbair said that the USG needed to do more (1) to encourage Paris Club and other creditors to write off Iraqi debt, (2) to reduce Iraq's reparations payments to Kuwait arising out of the first Gulf War, and (3) to attract foreign financial institutions to invest in Iraq.

¶7. (C//REL MCFI) MG Flynn reported a good introductory meeting with MOJ Safa al-Safi on April 21. It appears that Safi is willing to work with the U.S. to coordinate some of the rebuilding efforts. Safi asked for a follow up meeting tomorrow with CMOC's CAPT Burns and MNFI representative to go over status of past and current projects. Safi seemed open to establishing a working and cooperative relationship with the CMOC, but more confidence building needs to be done.

POLITICAL PARTIES FORCED OUT OF GOI-OWNED OFFICES

¶8. (C//REL MCFI) According to Sheikh Amer al-Faiz (Basrah Law Support Committee, currently advising GOI at Basrah Palace), PM Maliki issued an order prior to Charge of the Knights to evacuate all the governmental buildings in Basrah that were occupied after the fall of Saddam by political parties. There would be no exceptions to this order, including for al-Dawa. The Islamic Labor Party handed their headquarters to the MOD on

March 23. General Mohan ordered OMS leader Hareth al-Adarah to evacuate the building and refused requests for an extension; OMS evacuated on April 20; the building is to be turned over to the Ministry of Youth and Sport, as it was the former Olympic headquarters. Dawa tried to oppose an order giving the former governorate back to the MOI on the grounds that they paid a 20 million ID lease. The PM told them the lease was abrogated and that the money would be returned; Dawa has agreed to vacate but is stalling for time. SAS occupies the former governor's guest mansion. In a meeting with REO on April 21, party leader and COR member Dagar al-Musawi said that the building was governate property so they did not have to comply with the PM's order. ISCI's headquarters is a privately leased building that it claims the PM's order therefore does not apply. Their media network building (Al Nakeel TV) belonged to MOI, but ISCI has given no indication that it intends to vacate. Badr claims to own its building. Comment: after the much-publicized force-out of OMS, it will be interesting to see if and when the PM's own party complies. End comment.

UMM QASR PORT

19. (C//REL MCFI) REO Officers met with merchant marine Captain Hussain Mohammed Abdullah, Assistant Director General (A-DG) for Management at the Port of Umm Qasr (PUQ)(Septel). The GOI has sacked PUQ A-DG for Technical Affairs Safa Abud al-Hussein, who with militia influence had been appointed less than a year ago. Hussain said the security situation and working environment had improved markedly with the Iraqi Army (IA) having displaced the JAM-saturated Facilities Protection Service (FPS). Hussain also confirmed that the GOI Council of Ministers approved commercialization plans for the PUQ that broadly follow a proposal advanced by the Embassy's Office of the Transportation Attache (OTA). Hussain's committee of port technocrats will meet next week to discuss selection of a reputable, international consultant to help write tender documents to bring in a management company for the north port and a long-term concessionaire for the south port.

U.S. Navy representative in Umm Qasr report that there are definitely fewer bribes changing hands in UQ - although there are reports that some of the internal guards are still charging for freight movement. The port itself is more or less back to normal and the Iraqi Navy (IqN) are now establishing themselves by building better VCPs. The IqN (reflagged as Marines) delivered two weeks ago by the IA and responsible for guarding the port are now being supplemented by 120 new recruits. The 501 marines are now formally a new battalion that will be responsible for security of all of PUQ, Umm Qasr town, the power distribution station at Az Zubayr city and the port of Az Zubayr.

HOWARD